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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR MADAGASCAR

Note by the Administrator

Programme period	Illustrative IPF for 1982-1986
1982-1986	$49 million

I. Nature of the programming exercise

1. The third UNDP country programme (1982-1986) for the Democratic Republic of Madagascar coincides with the initial phase of the second National Development Plan (1982-1987). Though the timing does not precisely coincides with the executing period of the National Plan, that is no bar to the harmonization and integration of activities.

2. The formulation of the third country programme was preceded by preparatory work conducted in 1979, 1980 and 1981. Programming missions in the rural

1/ The notes by the Administrator concerning the previous country programmes for Madagascar were issued under document symbol DP/GC/MAG/R.1/RECOMMENDATION and DP/GC/MAG/R.2/RECOMMENDATION.

development and agricultural sectors, as well as in that of industrial development, identified, inter alia, the country's technical assistance needs in each sector. The authorities responsible for co-ordinating technical assistance could also draw on the conclusions of numerous evaluation and technical mission reports, as well as on a note by the Resident Representative, prepared in April 1980.

3. In 1981, the Ministry of Finance and Planning embarked on the drafting of a preliminary document, with the participation of the technical ministries. The document, subsequently approved by the Government, was to serve as a basis for discussion with a view to the drafting of the final text. This preliminary document was sent to UNDP, which circulated it to all the specialized agencies of the United Nations system. The agencies' comments were transmitted to the Government co-ordinating body, which subsequently prepared the final version in co-operation with the UNDP office.

4. It must be pointed out that the over-all financial requirements arising from the programmes and activities proposed by the missions were far in excess of UNDP financial resources. The Government therefore proceeded to classify them and established priorities in line with the over-all guidelines of the second National Development Plan. In making its selections, sectoral priorities, and the cost-sharing expenses and recurring charges which the Malagasy State would incur in undertaking the activities, were borne in mind.

5. In the same context, the Government stressed not only the importance of remaining within the bounds of available resources, given the country's economic situation, but also its intention of using national experts, consultants and institutions, as far as possible.

6. Although the programme content for Madagascar has been determined by the Government in the light of the fundamental development options defined by the Charter of the Malagasy Socialist Revolution, and in line with the priorities of the National Development Plan, the execution and programming called for by the country programme have been conceived as a continuous activity, requiring annual reviews which will make it possible flexibly to adjust the programme to economic realities.

II. Relationship of the country programme to national development objectives

7. As pointed out in the country programme, the Government's policy is based on the principle of self-reliance; this applies to all its economic and social development activities. In parallel with this, the Government has opted for an open-door policy and for the diversification of its international relations. However, in keeping with what has been stated above, external assistance merely supplements national efforts.

8. The socio-economic development of the country will take place within the framework of socialist planning. The principal objectives for the year 2000 in the context of the options of the Charter of the Malagasy Socialist Revolution are:

(a) Complete social ownership of key sectors and strategic activities;

(b) Full employment;

(c) The doubling, at least, of per capita income in real terms; and

(d) The satisfaction of basic economic, social and cultural needs.

The achievement of these objectives will comprise a three-stage strategy:

(a) The first seven-year stage (1978-1984) will be devoted to laying the foundations for development;

(b) The second stage (1985-1992) will see the consolidation of the economy; and

(c) The third stage (1993-2000) will ensure economic expansion and growth.

9. In the framework of this strategy, the main area to be covered as selected for the second National Development Plan, are:

(a) Self-sufficiency in foodstuffs;

(b) Establishment of basic structures for the setting up of self-reliant industry;

(c) Supplies, research, training, and health; and

(d) The development of export products.

10. At the time of preparation of the first draft of the country programme, full approval had not yet been given to the National Plan. Nevertheless, the coherence of the projects identified with the main options of the National Plan is assured, since the Planning Board was responsible for drafting both documents.

III. Content of the country programme

11. Tables showing the sectoral breakdown and allocation of programmed resources are to be found in the annex to the country programme document.

12. The third UNDP assistance programme for Madagascar comprises 60 projects, of which 28 are ongoing and 32 are new. The latter also include new phases of projects from the previous programme.

13. In this context, 1982 is considered as a transitional year which will see the completion of virtually all the ongoing projects. The 28 projects will mobilize only 17 per cent of programmed resources. In addition, this year will mark the launching of new projects, mostly in the form of preparatory assistance. The new projects will absorb 83 per cent of the resources, of which 56 per cent will be allocated to the launching of the new phases of projects completed in the course of the previous programme.

14. From the point of view of sectoral breakdown, approximately 29 per cent of resources will go to the rural development sector, mainly to agricultural production. This is in accordance with the the Government's fundamental approach, which considers agriculture as the basis of development. Given the remarkable potential of this sector in terms of increased yields, on the one hand and the raising of the standard of living in the countryside, on the other, there is ample justification for such an approach.

15. These major projects involve: (a) increase of output from plant sources, mainly through rice-growing; (b) increase of output from animal sources, especially through sea fishing and fish farming, but also through stock-raising under the Androy development project; (c) rehabilitation and development of degraded forests and land, and the achievement of higher productivity and living standards for the people concerned; and (d) improvement of agricultural statistics.

16. Since industry is considered to be the driving force of development, the Government has selected about a dozen new projects in the industrial sector, to which it is devoting 20 per cent of programmed resources.

17. Production, maintenance of the means of production, and the mobilization of existing capacity being the priority objectives, the programme includes a number of industrial sector studies, for example, the identification and constitution of pre-investment portfolios and feasibility studies covering not only large plants, such as the paper pulp factory, but also small plants, both old and new.

18. The projects dealing with production involve the development of local materials, the manufacture of spare parts, the production of agricultural implements and machinery, and the production of prototype barges, push boats and motor vehicles.

19. The third sector by order of importance is that of infrastructure, transport and communications, which will mobilize some 10 per cent of the resources. A project to strengthen national planning structures will mobilize 7 per cent of the programmed resources. This important project is designed to help establish a Malagasy planning institute.

20. The natural resources sector, which comprises a large-scale project for the planning and development of catchment areas, has been allocated 7 per cent of programmed resources.

21. Assistance to the education sector will continue until the completion of the education reform project (MAG/79/002) in 1983, and will absorb some 6 per cent of programmed resources.

22. The remaining resources (28 per cent) will go to projects in social fields such as health, sanitation, help for the disabled, worker education, and advancement of youth.

IV. Special development needs and problems

23. Among the main obstacles that Madagascar must overcome if it is to develop are its insularity, isolated geographical location, and a mountainous topography, which constitutes a formidable barrier to communications and renders the establishment of infrastructure exceedingly costly. These circumstances not only accentuate the island's isolation from the outside world, but also the isolation of its productive regions from consumer centres and outlets. The establishment of adequate infrastructure to end the isolation of the productive regions would require investment on a scale which exceeds all existing possibilities of financial resource mobilization in the form of capital assistance, be it from internal or external sources.

24. The difficulties of its geographical location are accentuated by the fact that Madagascar's climate is one long succession of such natural disasters as cyclones, floods, droughts, or locust plagues, all of which require emergency action at very short notice, thereby placing an excessively heavy financial burden on the State budget.

25. The world economic crisis, rising in import prices, and falling export prices have very severely affected the country. The consequences of the deterioration of terms of trade, with all its repercussions on the balance of payments and external debt, will only increase the economic/financial imbalance in the future.

26. In order to cope with this unfavourable economic situation, the Government, in coming years, will concentrate on increasing productivity and on maximizing exploitation of the large potential resources which exist in the agricultural, mining, energy and industrial fields. The launching of activities and programmes will require major external assistance in order to mobilize increasingly rare large-scale financial capacities and increasingly costly technology.